



Commission for  
**Communications Regulation**

# **Settlement of matters arising from ComReg's opinion of non-compliance by Eircom with Regulation 25(6)(b) of the Universal Service Regulations**

## **Information Notice**

**Reference:** 14/77

**Date:** 18/07/2014

**An Coimisiún um Rialáil Cumarsáide  
Commission for Communications Regulation**

Abbey Court Irish Life Centre Lower Abbey Street Dublin 1 Ireland

Telephone +353 1 804 9600 Fax +353 1 804 9680 Email [info@comreg.ie](mailto:info@comreg.ie) Web [www.comreg.ie](http://www.comreg.ie)

## Background

1. On 6 May 2014, ComReg notified Eircom that it had formed the opinion that Eircom was not compliant with its obligation set out at Regulation 25(6)(b) of the Universal Service Regulations as it was failing to ensure that its conditions and procedures for contract termination were not acting as a disincentive to a consumer to changing service provider.<sup>1</sup> ComReg provided a 21 day period for Eircom to review the Opinion of Non-Compliance.
2. Since the publication of the Opinion of Non-Compliance, Eircom and ComReg have engaged in discussions to explore the possibility of resolving the matters at issue through an out-of-court settlement.
3. These discussions have now concluded. Eircom and ComReg have entered into an out-of-court settlement agreement for the purpose of resolving the matters at issue.
4. The terms of settlement are confidential and neither ComReg nor Eircom will make further comment in relation to those terms beyond those contained in this Information Notice.

## Changing service provider

5. For customers that are switching service provider outside of their minimum contract term, Eircom will immediately remove from its terms and conditions any provisions allowing charges, claims or penalties to be applied in lieu of notice.
6. This means that Eircom customers outside of their minimum contractual term may change service provider by agreement with a new provider without any penalty being applied by Eircom if they do not wish to inform Eircom of this decision.
7. Eircom will no longer apply disaggregated bundle charges for the final bill when the customer is switching service provider.
8. Eircom will update its terms and conditions in accordance with the above.
9. Eircom will not engage in "Save" activity with a customer who is attempting to notify Eircom about switching service provider without first accepting and confirming the notice provided and subsequently seeking confirmation from the customer that they wish to continue the conversation with Eircom.

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<sup>1</sup> See ComReg Document 14/43: "Opinion of non-compliance issued to Eircom Limited with respect to its conditions and procedures for contract termination"

10. Eircom will prominently publish full details of its requirements for changing service provider on its website.

## Refunds

11. Among the six grounds upon which ComReg based its Opinion of Non-Compliance the sixth concerned termination charges, in lieu of notice, that were applied by Eircom, as well as disaggregated bundle charges that were applied by Eircom irrespective of whether the consumer had satisfied Eircom's notice requirement.
12. As a result of the settlement agreement, a refund process and funding have been established from which refunds will be paid to consumers affected by these charges. In summary these will be applied to two customer cohorts as follows:

Existing complainants: Consumers who have complained to either ComReg or Eircom about the charges from 11 March 2011 onwards will be refunded the full amounts of the termination charges and the disaggregated bundle charges. These amounts will be refunded automatically by Eircom and there is no need for further action by consumers in this category.

Other affected consumers: For a period of three months i.e. until 10 October, 2014, a limited fixed refund will be payable to consumers affected by the charges who formally raise the matter with either Eircom or ComReg. Such claims will be subject to appropriate confirmation and validation. Valid complainants in this category will receive the fixed refund amount within 15 working days of the complaint being validated.

## Contact details

13. Consumers may contact Eircom at the FreePhone number on 1800 200 662 or ComReg at its Consumer line on 01 8049668 or 1890 229 668 or email [consumerline@comreg.ie](mailto:consumerline@comreg.ie)

## Compliance monitoring

14. ComReg has set, through this compliance action against Eircom, what it considers to be an acceptable standard, at this point in time, with respect to undertakings obligations at Regulation 25(6)(b) of the Universal Service Regulations. ComReg expects all undertakings to adhere to the standard so as to ensure that they are compliant. In this regard, ComReg is continuing its monitoring programme in respect of compliance by all undertakings including the application of termination charges in lieu of notice and other non-compliant conditions and procedures for contract termination including inappropriate save activity. ComReg will take all necessary enforcement action in respect of any such activity.